

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

CITY OF ALMATY, KAZAKHSTAN and BTA
BANK JSC,

Plaintiffs,

-against-

FELIX SATER, DANIEL RIDLOFF, BAYROCK
GROUP INC., GLOBAL HABITAT SOLUTIONS,
INC., RRMI-DR LLC, FERRARI HOLDINGS
LLC, and MEM ENERGY PARTNERS LLC,

Defendants.

19 Civ. 2645 (AJN) (KHP)

**[PROPOSED]
AMENDED ANSWER WITH
COUNTERCLAIMS AND THIRD-
PARTY COMPLAINT**

Felix Sater (**Sater**), through his undersigned counsel of record, submits this Amended Answer with Counterclaims and Third-Party Complaint against Counterclaim Defendants BTA Bank JSC (**BTA**) and City of Almaty, Kazakhstan (**Almaty**); and against Third Party Defendants the Republic of Kazakhstan (**Kazakhstan**, and together with BTA and Almaty, the **Kazakh Entities** or the **Kazakhs**) and Arcanum (Asia) Ltd. (**Arcanum**). The below allegations are made on personal knowledge as to matters relating to Sater and on information and belief as to all other matters.

STATEMENT OF THE CASE

1. This case is about a nefarious plot by the Kazakhstan National Security Committee (the **Kazakh KGB**) and their long-time agents Arcanum to interfere in the 2016 U.S. Presidential Election in favor of Hillary Clinton.

2. Felix Sater is a legendary figure in the U.S. Intelligence Community. He is known for risking his life conducting espionage operations against North Korea, Taliban-controlled Afghanistan, al Qaeda, Russia and Russian hacking networks, including operations he

executed on the ground in Russia and Afghanistan. In or about 2007, several news publications outed him as an American intelligence asset, thus alerting the Russians as to his espionage activities against Russia. Sater is now infamous within the Kremlin. If he were to set foot in Russia, Sater would be arrested, tortured, and executed.

3. In 2015, Arcanum and the Kazakh Parties, under the guise of working together with Sater pursuant to a confidential assistance agreement (such agreement, the **CAA**) signed in June 2015 for Sater to help recover assets belonging to fugitive Kazakh oligarch Mukhtar Ablyazov and his associates, conspired to leak false and defamatory information about Sater to media outlets including ABC News. This was part of a concerted effort to falsely (and absurdly) portray Sater, a longtime business partner of Donald Trump, as a Russian agent and Kremlin stooge.

4. In or about 2016, Arcanum prepared a defamatory PowerPoint presentation about Sater, which Arcanum gave to Christopher Steele, who then gave it to the FBI in the hope of manufacturing a criminal RICO case against Sater and then candidate Donald Trump. These false and defamatory statements included:

- a. That Sater was involved in embezzlement from BTA Bank;
- b. That Sater was involved in pyramid schemes;
- c. That Sater was involved in official US corruption;
- d. That Sater committed misconduct with respect to the Trump SoHo project;
- e. That Sater had committed RICO violations;
- f. That Sater, a married man, was “involved” with Ablyazov’s daughter.

5. Arcanum’s efforts failed to produce a RICO case. However, the multi-year smear campaign ruined Sater’s career and life.

6. Before January 2021, Sater had no reason to know that Arcanum and the Kazakhs were working in 2016 to cause Sater (and Trump) to be charged with RICO violations. During this time, Sater was working closely with Arcanum and the Kazakhs, assisting them in recovering money allegedly stolen by Mukhtar Ablyazov. From 2015 to 2018, Sater worked side-by-side with Arcanum, the Kazakhs and their attorneys at Boies Schiller & Flexner (***Boies Schiller***), uncovering information and witnesses who helped the Kazakhs identify, freeze and/or recover billions of dollars. Based on the information and witnesses that Sater provided, he was entitled to at least \$50 million and potentially up to \$800 million. The Kazakhs refused to pay Sater, instead manufacturing reasons not to pay and filing the above-captioned lawsuit against Sater. Kazakh sources subsequently informed Sater that the Kremlin had directed the Kazakhs not to pay Sater because of his espionage activities against Russia.

7. The FBI released documents in January 2021 relating to the Russian collusion investigation conducted by Special Counsel Robert Mueller. Among those documents was an FBI 302, attached as **Exhibit A** (second to last page) which revealed the duplicity of the Kazakhs, Arcanum and their agents.

8. Sater was shocked to learn that the Kazakhs and Arcanum engaged him under the CAA in bad faith, never intending to pay under their contract. From the beginning, Arcanum (a private intelligence firm staffed by former officials from the Clinton administration) and their attorneys Boies Schiller (a Democratic Party law firm) intended to use the CAA as a pretext for gathering intelligence against Sater, with the intent of harming Donald Trump's Presidential campaign.

9. The Kazakhs and Arcanum knew of Sater's background as an agent for the U.S. intelligence community. They knew that Sater was despised by the Kremlin due to his espionage

activities in Russia. Most important, they knew about Sater's long time business relationship with Donald Trump.

10. When Sater became aware of the FBI 302 in early 2021, he investigated further and learned that the Kazakh plot against Sater was coordinated by Karim Massimov (*Massimov*), Chairman of the Kazakh KGB and his henchman Kenes Rakishev (*Rakishev*), known in Kazakhstan as "Massimov's Wallet." During this time, Massimov and Rakishev were actively seeking influence with American politicians. In 2016, they believed that they would be rewarded for helping the Hillary Clinton campaign (who was considered certain to win the election) by smearing Sater and Trump. Massimov and Rakishev's efforts to curry favor with prominent American politicians included lavishing money on Hunter Biden, who called Rakishev a "close friend."

11. In mid-2021, Sater, through former high level Obama Administration government contacts, reached out to the Kazakhs to discuss the FBI 302 and Arcanum's plot against Sater and Trump. Through his contacts, Sater explained to Massimov that the full extent of the Kazakhs' actions would be disclosed. The Kazakhs immediately engaged the law firm of Greenberg Traurig to engage in settlement negotiations with Sater. At the direction of Massimov and Rakishev, for several months, the Kazakhs engaged in an extended mediation and settlement process before a highly respected retired Federal judge.

12. In early January 2022, the long-oppressed people of Kazakhstan rose up against the corrupt elite that had, for decades, stolen Kazakhstan's wealth. For several days, huge anti-corruption demonstrations erupted across the country, with protestors taking over government buildings and offices.

13. President Kassym-Jomart Tokayev (*Tokayev*) fired his cabinet in response to the increasingly violent demonstrations, throwing the Kazakhstan government into chaos. Days later, Russian special forces were invited onto the streets of Kazakhstan to crush the protests and permitted to shoot to kill without warning. In a bloodbath reminiscent of the 1989 Tiananmen Square massacre,¹ over 160 Kazakhs were killed, some by the Russian forces. Having outsourced its internal security to the Kremlin, Kazakhstan is now effectively a vassal state of Russia.

14. On January 8, 2022, at the direction of the Kremlin, Massimov was arrested on charges of treason for allegedly plotting a coup. His henchman, Kenes Rakishev, fled Kazakhstan and is said to be a fugitive. On January 26, 2022, two weeks after Massimov was arrested, Sater's counsel was told by Greenberg Traurig that the Kazakhs were walking away from settlement discussions.

15. Sater attempted in good faith to resolve his differences with the Kazakhs and Arcanum privately. Due to forces beyond his control, Sater finds himself across the table from former KGB agent Vladimir Putin and his cronies at the Kremlin, with the Kazakhs reduced to puppets.²

Felix Sater

16. Felix Sater was born in Moscow, USSR on March 2, 1966. In the early 1970s, Felix and his family fled anti-Jewish persecution and the evils of Communism, escaping the Soviet Union. Initially, they moved to an Austrian refugee camp. Soon the family moved to a basement apartment in Israel, then to a one-room apartment above a factory in Italy. The Sater family immigrated to the United States in 1973 as political refugees, living in Baltimore for three

¹ <https://www.rferl.org/a/kazakhstan-torture-abuse-human-rights-watch/31681024.html>

² <https://thediplomat.com/2022/01/after-kazakhstan-crisis-china-will-reassess-its-influence-in-central-asia/>

months before settling permanently in Brooklyn. Sater's parents raised Felix to love America and hate Communism.

17. Sater began working at a young age, selling newspapers at age eight, later working retail jobs part-time through high school. He attended Pace University before withdrawing to take a job on Wall Street in 1984.

18. Sater started as an assistant to a Managing Director at Bear Stearns and worked there until he earned his Series 7 license and became a securities broker. Sater was a natural on Wall Street, achieving meteoric success, rising through the ranks of several prominent financial institutions. By 1991, at just 25 years of age, Sater was promoted to Managing Director at Shearson Lehman Brothers – one of the youngest managing directors in Wall Street history. Sater likely would have continued along this path had it not been for a regrettable barroom fight that led to a 1993 assault conviction and loss of Sater's Series 7 license.

19. After serving his sentence, Sater was unable to work as a licensed broker. With limited employment prospects as a convicted felon and a young family to feed, Sater joined a boyhood friend's pump-and-dump stock brokerage (eventually known as State Street Capital Partners) for a short period of time. Sater left State Street in 1996 and moved on with his life.

20. In 1997, Sater was working in Moscow as a consultant for an AT&T-related transaction when he met a high-ranking U.S. military intelligence officer and former military attaché at the U.S. embassy in Moscow (the *Officer*). At the Officer's request, Sater began gathering sensitive intelligence information for the U.S. government, at great risk to his own life. As a former Soviet citizen, Sater would have been executed for treason if caught spying against Russia.

21. The Officer specifically asked Sater to help the U.S. acquire a particular high-end anti-missile system from Russia. Through Russian contacts, Sater was able to covertly enter closed Russian military installations where he located the missile system and provided details to the Officer.

22. Sater also helped the CIA repurchase U.S.-manufactured Stinger missiles in Afghanistan under a U.S. Presidential decree (ur intelligence agencies were concerned they would fall into the hands of Al Qaeda). Sater traveled to Afghanistan and obtained the location and serial numbers of approximately 10 Stinger missiles, which he provided to U.S. authorities.

23. After the terrorist attacks of September 11, 2001, Sater used his overseas contacts to obtain extensive information regarding Bin Laden and Al Qaeda. As an example, Sater recruited the personal secretary of Mullah Omar (Bin Laden's protector in Afghanistan and founder of the Taliban) as a U.S. intelligence asset. Intelligence sourced through Sater provided saved U.S. military lives and stopped terrorist attacks.

24. Sater participated in FBI undercover sting operations which took down two separate Russian cyber-criminal gangs, with their leaders arrested in Cyprus and Turkey in meetings that Sater orchestrated. Information provided by Sater to law enforcement has led to nearly two dozen convictions. Sater has been instrumental in helping the FBI attain a greater level of understanding of various sophisticated fraud schemes. His assistance to US intelligence and law enforcement has been lauded and commended by numerous US officials including former Attorney General Loretta Lynch.

The Hunt For Stolen Ablyazov Money

25. Sater's involvement with the Kazakhs began in June 2015, when Sater entered into the CAA ostensibly to help them recover US\$6 billion that was allegedly stolen by former Kazakh Minister of Energy Mukhtar Ablyazov.

26. Ablyazov, trained as a theoretical physicist, came to prominence in the "wild west" early 1990s, becoming a successful businessman. By 1998, Ablyazov led a group of investors who purchased Bank Turan Alem (later renamed AO "BTA Bank") (**BTA**) in a privatization auction for US\$72 million.

27. In November 2001, Ablyazov, along with other former Kazakh government officials, founded the Democratic Choice of Kazakhstan (QDT) political party to rival the Nazarbayev machine. Four months later, Ablyazov was imprisoned over accusations of financial fraud and political abuse. Nazarbayev pardoned Ablyazov in 2003 after Ablyazov promised to stay out of politics.

28. Ablyazov became chairman of BTA in 2005. During this period, BTA grew rapidly, eventually becoming the largest creditor in Kazakhstan, holding 30% of outstanding business loans. Ablyazov, as chairman, made thousands of loans to fictitious offshore entities (using elaborate structures designed to obfuscate) that were ultimately controlled by Ablyazov and his family. When the 2008 global financial crisis hit Kazakhstan in 2009, the extent of Ablyazov's fraud became known.

29. Independent external audits found that BTA could not account for US\$10 billion in assets. This led to a solvency crisis, which resulted in the Kazakh sovereign wealth fund (Samruk-Kayzna) providing an emergency capital infusion. Ablyazov fled to London. The

Kazakh and Russian authorities have been seeking Ablyazov's extradition for more than a decade. Ablyazov is currently living in Paris under political asylum.

30. In 2022 France dismissed attempts to extradite Ablyazov and he is now a free man in France.

31. When Ablyazov fled Kazakhstan, allegedly with US\$6 billion of BTA's money, the Kazakh KGB launched an international legal, diplomatic, and PR war against Ablyazov, not only seeking his extradition, but also to recover the money that Ablyazov had allegedly stolen. Sater's extensive knowledge and contacts in Kazakhstan and Russia uniquely positioned Sater to assist the Kazakhs. As a result, Sater reasonably believed the Kazakhs when they expressed interest in his offer to recover Ablyazov assets.

The Kazakhs Hire Felix Sater

32. The Kazakhs hired Sater (through his company, Litco) to assist in the recovery of the Ablyazov funds in June 2015. The CAA was negotiated by counsel. The CAA did not mention Sater by name because he was fearful that public identification would jeopardize the safety of Sater's family.

33. On June 16, 2015, Donald Trump announced his candidacy for President. Sater has a relationship with Trump that goes back to 2000. Over the years, Sater had partnered on real estate deals with the Trump organization, including a Trump Tower deal in Moscow that never came to fruition. Sater had no reason to imagine that his relationship with Donald Trump had anything to do with being hired in the Ablyazov matter.

34. After the CAA was signed, Sater had numerous in-person meetings with the Kazakhs' representatives, including Ron Wahid and Calvin Humphrey of Arcanum, both of whom have close ties to the Clinton administration. He also met numerous times with Matthew

Schwartz and other attorneys of Boies Schiller, the law firm of choice for many high-ranking Democratic politicians. The significance of their political affiliation with the Democratic Party is apparent only in retrospect.

35. When Sater entered into the CAA in June 2015, he had every reason to believe that his interests were aligned with those of Arcanum and Boies Schiller. To all appearances, they were all on the same team, working to recover funds taken by Ablyazov.

36. From June 2015 until September 2018, Sater worked diligently and in good faith, assisting the Kazakhs in locating Ablyazov funds. Sater has extensive documentary evidence, including audio recordings, proving that Sater provided detailed information and a number of key witnesses previously unknown to the Kazakhs and their agents Arcanum and Boies Schiller.

The FBI 302 Reveals Arcanum's Treachery

37. Stunning FBI disclosures confirm that Arcanum, the Kazakh Parties, and their counsel Boies Schiller were not acting in good faith. The Kazakhs' breach of the CAA was only the beginning of their treachery. While Sater was helping the Kazakhs track down Ablyazov's stolen money, FBI documents reveal that the Kazakhs were playing a double game, pretending to work *with* Sater while actually conducting an espionage operation *against* Sater. The Kazakhs' objective was to illegally influence the 2016 U.S. Presidential Election by obtaining information from Sater to politically damage Donald Trump.

38. The spy operation was nominally overseen by Massimov, then Chairman of the Kazakh KGB, direct successor to the old Soviet KGB apparatus. It was overseen on a day-to-day basis by his henchman Rakishev, Chairman of BTA Bank, known in Kazakhstan as "Massimov's Wallet." Numerous Kazakh sources have told Sater that in reality, Massimov was taking orders from his old bosses at the Kremlin and directing Rakishev accordingly.

39. The operation was carried out by Arcanum (the private intelligence firm staffed by Clinton administration associates) and Boies Schiller in collaboration with Christopher Steele (*Steele*), author of the infamous and now discredited dossier about Trump's fictitious contacts with Russia (the *Steele Dossier*).³ The Steele Dossier was part of a disinformation campaign to smear Trump with accusations of Russian interference in the 2016 U.S. Presidential Election (the *Russian Collusion Hoax*).

40. By myriad acts and omissions, Arcanum, the Kazakh Parties, and their counsel Boies Schiller fraudulently concealed their double game from Sater. From 2015 to 2018, they led Sater to believe that they were working hand-in-hand on the Ablyazov asset recovery project when, in fact, the Kazakh KGB had weaponized Arcanum and Boies Schiller against Sater and Trump. Their fraud resulted in the Kazakh KGB gaining access to confidential information about Sater, his contacts around the world, his dealings with Donald Trump, and many other subjects.

41. The Kazakh KGB used Arcanum as its agent to pass the fraudulently obtained information to Steele. The information was then passed to the FBI, DOJ and numerous news sources. In December 2015, confidential information about Sater was leaked to Brian Ross of ABC News. Soon thereafter, Brian Ross broadcast an innuendo-laden hatchet job on Sater (the *Brian Ross Smear*) that falsely and maliciously painted Sater as a Trump-connected Russian mobster, laying the groundwork for the Russian Collusion Hoax. Ross was later suspended and fired from ABC News for broadcasting a false news report about Trump that triggered a brief stock market crash.⁴

³ <https://www.buzzfeednews.com/article/kenbensinger/these-reports-allege-trump-has-deep-ties-to-russia>

⁴ <https://www.reuters.com/article/us-variety-entertainment-tv-news/brian-ross-who-aired-erroneous-trump-report-to-leave-abc-news-idUSKBN1JS2C3>

42. The Brian Ross Smear started an avalanche of false reports and outright libel, all to create a cloud of suspicion that Trump was beholden to shadowy Russian interests. As this Amended Answer with Counterclaims will demonstrate, the Russian Collusion Hoax was the product of a Kazakh KGB operation. It ushered in a new era of American McCarthyism, with supporters and allies of Trump unfairly portrayed as Russian stooges and traitors.

43. Sater was collateral damage. After Trump won the 2016 election and the Russian Collusion Hoax reached new levels of hysteria, death threats forced Sater's wife and children to live under different names. Over several years, the emotional and financial strain of relentless media attacks destroyed Sater's marriage. Meanwhile, Sater's business is in ruins because of the disinformation operation waged against him, which the world will now learn was funded and sponsored by the Kazakh KGB.

44. The Kazakhs meddled in the 2016 U.S. presidential election as a cynical ploy to curry favor with Hillary Clinton, who they believed would defeat Trump. When Trump shocked the world by defeating Hillary Clinton, the Kazakh KGB doubled down, promoting the Russian Collusion Hoax that triggered the appointment of Robert Mueller as Special Counsel in May 2017. The hoax persisted until March 2019, when Robert Mueller issued a report finding no evidence of Russian collusion.

45. No one can predict the long-term consequences of the Kazakhs' actions. However, when the history is written, the Russian Collusion Hoax and its fallout should be laid at the feet of the Kazakh KGB and the Kremlin, which directed Massimov. Sater is filing this Amended Answer with Counterclaims to hold the Kazakhs accountable and to bring these malicious and evil tactics to the attention of this Court and the American people.

46. Sater understands the implications of this Amended Answer with Counterclaims and did not agree to file this document lightly. In July of 2021, Sater's attorneys prepared a draft version of this document and Sater, through high level former Obama Administration government contacts, showed it to Massimov. This led immediately to Greenberg Traurig being hired to enter into settlement negotiations and mediation.

47. While mediation was ongoing, the pro-democracy protests of January 2022 in Kazakhstan were brutally suppressed by shoot to kill orders and the introduction of so-called peacekeeping troops from Russia. In the aftermath of the crackdown, Massimov was removed from office, arrested and charged with high treason for attempting a *coup d'etat*. Following Massimov's arrest, the Kazakhs terminated mediation.

The Kazakh KGB and their Agents

48. Kazakhstan is a country of 18 million people with abundant reserves of oil and gas. A former Soviet republic, Kazakhstan was for decades led by Nursultan Nazarbayev, who in 1989 became First Secretary of the Central Committee of the Kazakh Communist Party. After the Soviet Union dissolved, Nazarbayev was elected Kazakhstan's first President in 1991. He was re-elected four times, most recently in 2015. Nazarbayev now holds the permanent title *Elbasy*, or Father of the Nation. In 2019, Nazarbayev stepped down as President in favor of his hand-picked successor, Kassym-Jomart Tokayev.

49. Arcanum, a private intelligence firm (staffed and managed by senior Clinton Administration officials) headquartered in Washington, D.C. and London, has a long history of serving Kazakh interests. When Ablyazov fled to London in 2009, Ron Wahid (founder of Arcanum) attempted to sign Ablyazov as a client, notwithstanding that Arcanum already

represented the Kazakh government. A news report summarized Ablyazov's interaction with Arcanum as follows:

As they sized each other up in 2009, Ablyazov says he asked Wahid to prove his worth by providing some valuable intelligence against Nazarbayev, but Wahid only offered documents that Ablyazov had already acquired. (Wahid disputes this.) Ablyazov grew suspicious that Wahid was, in fact, playing a double game and working for Nazarbayev's regime. As he listened to descriptions of Arcanum's services, he started to think that the meetings were a trap designed to lure him into illegal activity in the UK, where he had claimed asylum, and decided against hiring the firm.⁵

50. This news item is noteworthy because it foreshadows the facts of this case. Ablyazov's instincts about Arcanum's duplicity were correct. Arcanum played the same double game it unsuccessfully tried with Ablyazov against Sater, pretending to be cooperating in the Ablyazov project, but actually conducting an operation for the Kazakh KGB against Sater and Donald Trump.

51. Massimov (known as the Butcher of Zhanaozen) was Prime Minister of Kazakhstan from 2007 through 2012 and again from 2014 through 2016.⁶ Massimov is called the Butcher of Zhanaozen because of his bloody and murderous suppression of striking mining workers protesting in Zhanaozen, Kazakhstan, in December 2011. Massimov was also implicated in a scandal in France in 2016, reportedly taking a €12 million bribe in 2010 for steering Kazakh business to Airbus.⁷

52. Rakishev is reputed to have raped underage girls in Russia⁸ and organized "no holds barred" fighting contests involving eight-year-old children. The Russian authorities refused

⁵ <https://www.ft.com/content/1411b1a0-a310-11e7-9e4f-7f5e6a7c98a2>

⁶ [https://en.wikipedia.org/wiki/Karim_Massimov#First_term_\(2007%E2%80%932012\)](https://en.wikipedia.org/wiki/Karim_Massimov#First_term_(2007%E2%80%932012))

⁷ <https://24.kg/archive/en/news-stall/180711-news24.html/>

⁸ <https://rakishevkenes.org/news/9u7xopy9vpros52k43ygq77pr3214n>

to investigate these crimes because Rakishev was under Massimov's protection and also because Rakishev's father-in-law (Imangali Tasmagambetov), Kazakhstan's ambassador to Russia, intervened to stop the investigation. Russian internet hackers have tried to wipe the internet clean of references to Rakishev's appalling acts.

53. Sources have informed Sater that Massimov was instructed by the FSB in Moscow to never pay Sater any money under the CAA because Sater, at great risk to his own life, gathered information inside Russia for US intelligence agencies. Because Sater was born in the Soviet Union, the Kremlin considers Sater's espionage on behalf of the United States to be treason.

Massimov Purchases American Support

54. After Massimov slaughtered the Zhanaozen protesters in December 2011, President Nazarbayev fired Massimov as Prime Minister.⁹ Ousted from power, in early 2012 Massimov plotted to regain his lost influence by winning the support of U.S. politicians. Massimov began a U.S. influence campaign by targeting Hunter Biden, whom Rakishev contacted in 2012 at Massimov's request. Rakishev arranged cash payments to Devon Archer (Hunter Biden's business partner)¹⁰ as well as cash payments to Hunter Biden from Kazakhstan's state-owned natural gas and oil monopoly, KazMunayGaz.¹¹ Rakishev even gave a million dollars to John Kerry's daughter, a dilettante filmmaker.¹² Hunter Biden once even ditched his Secret Service protection so that he could meet with Massimov in private without leaving an

⁹ <https://tinyurl.com/vbphp9st>

¹⁰ <https://www.thecentersquare.com/content/tncms/live/>

¹¹ <https://tinyurl.com/m3bzddy5>

¹² <https://rakishevkenes.org/news/hunter-biden-also-had-business-dealings-in-kazakhstan>

official record.¹³ Rakishev also has a close personal relationship with Chechnya's strongman and Putin's enforcer, Ramzan Kadyrov. Massimov's bribes were a good investment. For the relative pennies paid to Hunter Biden and other relatives of U.S. politicians, Massimov secured a show of support from the U.S. Vice President. Having purchased American support (and with President Putin of Russia's support), Massimov leveraged his own reinstatement as Prime Minister in 2014. Massimov was also able to help Rakishev take over BTA in 2014 just prior to his reappointment.¹⁴

55. Following his second term as Prime Minister, in 2016, Massimov was appointed Chairman of the Kazakh KGB.¹⁵ In this capacity, Massimov had direct operational control over Arcanum and Boies Schiller, who carried out the Kazakh KGB's objectives.¹⁶ Arcanum is staffed with former Clinton Administration personnel including Admiral Dennis C. Blair,¹⁷ John Hannah,¹⁸ and Calvin Humphrey.¹⁹

56. Boies Schiller is known for close connections with the Democratic Party, the Bidens, and the Clintons. Founding partner David Boies famously argued *Bush v. Gore* on behalf of Al Gore in the Supreme Court.²⁰ Boies partner Matt Schwartz represented Biden associate

¹³ <https://www.washingtonexaminer.com/news/hunter-biden-ditched-secret-service-as-he-sought-kazakhstan-energy-deal>

¹⁴ https://forbes.kz/leader/kraftoviy_biznes_1527763824/

¹⁵ <https://www.gov.kz/memleket/entities/knb/about/structure/people/16?lang=ru>

¹⁶ <http://en.mukhtarablyazov.org/a/1564,respublika-super-khan-s-bodyguards-people-who-work-for-akorda>

¹⁷ https://en.wikipedia.org/wiki/Dennis_C._Blair

¹⁸ <https://arcanumglobal.com/arcanum-team/our-leadership-team/>

¹⁹ *Ibid.*

²⁰ https://en.wikipedia.org/wiki/David_Boies

Devon Archer in a criminal fraud case.²¹ Hunter Biden himself practiced law at Boies Schiller until 2014.

57. Boies Schiller is also famous for its zealous representation of Democratic Party donor Harvey Weinstein. In its representation of Weinstein, Boies Schiller went so far as to hire former Mossad agents to investigate and terrorize Weinstein's victims.

58. Boies Schiller's political motives are further illustrated by the timing of their lawsuit against Sater filed in this Court, which they filed on the eve of Sater's Congressional testimony in March 2019 to inflict maximum political damage against Sater and Trump.

The Kazakh KGB Joins Team Clinton

59. At some point in 2015 or 2016, the Kazakhs concluded that Hillary Clinton would win the 2016 U.S. Presidential Election. Understanding that any help provided to the Clinton campaign would be rewarded, Massimov and his henchman Rakishev enlisted Arcanum and Boies Schiller to spy on Sater in the hope of affecting the 2016 U.S. Presidential election and ingratiating themselves with Clinton.

60. Sater had no way of knowing, but Arcanum and Boies Schiller entered into the CAA with the goal of conducting a shadow intelligence operation against Sater and Trump for the purpose of manufacturing information to harm Donald Trump politically. This operation was sponsored, funded, and approved by the Kazakh KGB, which itself was under the control of the Russian FSB.

²¹ <https://madisonrecord.com/stories/572978046-hunter-biden-s-former-business-partner-devon-archer-wants-ussc-to-review-fraud-conviction>

61. Arcanum and Boies Schiller fraudulently concealed the fact that the Kazakhs had made Sater a target of their spy operation. As described above, the Kazakh KGB provided the information it collected about Sater and Trump to Christopher Steele, in violation of its confidentiality obligations under the CAA. The FBI 302 of the FBI's interview of Christopher Steele confirms that Arcanum was secretly assisting Christopher Steele in his investigation of Sater and his relationship with Donald Trump. As the FBI 302 makes clear, Steele was investigating:

an individual by the name of ABLYAZOV, embezzlement from BTA BANK, pyramid schemes, and connections to FELIX SATER and TRUMP SOHO. STEELE said they want RICO up and running in the United States (NFI). STEELE brought along a PowerPoint presentation from the company ARCANUM explaining the SATER connection. STEELE provided a copy of this PowerPoint presentation to [redacted] and [redacted] (see attached). This information was slated to be provided to the US Department of Justice and the FBI as it involves a corrupt American official (NFI). SATER is also involved with the daughter of ABLYAZOV (NFI).

The efforts by Arcanum, the Kazakhs, and Christopher Steele to entrap Sater and Trump in a RICO charge went nowhere because the DOJ found absolutely no wrongdoing by Sater.

62. The FBI 302 confirms that Arcanum – while ostensibly working with Sater to recover Ablyazov assets – was in fact conducting an intelligence operation against Sater for the purpose of obtaining or manufacturing information harmful to Trump to help sway the 2016 U.S. Presidential election to benefit Clinton. This operation, conducted on U.S. soil, was sponsored, funded, and authorized by the Kazakh KGB, which was itself beholden to the Kremlin.

63. The Kazakhs paid money to Arcanum to gather information on Trump under the ruse of interviewing Sater in connection with the CAA. Massimov, Rakishev and Arcanum's Clinton operatives were representing the interests of a foreign government while influencing a

U.S. Presidential election and seeking to affect its outcome, all without registering as foreign agents under FARA.

64. The Steele information was then given to Brian Ross at ABC, leading to further libel of Sater's name as well as Trump's name. U.S. media started running hit pieces on Sater in late 2015. The first was published on December 10, 2015, and is believed to be the result of research compiled by the Kazakh KGB (through Arcanum and Boies Schiller) and furnished to Brian Ross of ABC News. By publishing these "guilt by association" hit pieces falsely portraying Sater as a Russian criminal, ABC News gave its megaphone to the Kazakh KGB.

65. Despite the best efforts and hopes of the Kazakhs, things didn't work out as they had hoped. First and foremost, Donald Trump won the 2016 election, and their hopes to influence the incoming administration were dashed. Second, Sater had provided invaluable information on Ablyazov assets, identifying billions of dollars in hidden funds worldwide. This meant that now Massimov would have to direct Rakishev to pay hundreds of millions of dollars to Sater. Adding insult to injury, Massimov was losing power in Kazakhstan at the same time. Massimov was removed as Prime Minister in September 2016.

66. Faced with the prospect of having to pay Sater what he earned and losing power, the Kazakhs doubled down. In 2019, they directed Boies Schiller to start a retaliatory action against Sater in response to his filing of an arbitration action to force payment of the monies the Kazakhs owed under CAA, with the Kazakhs forwarding the specious and completely laughable claim that after three years of working directly with Sater and Litco (including paying Sater US\$100,000 per month), the Kazakh Parties and Arcanum were unaware that Litco was owned by Sater. Boies Schiller filed the lawsuit on the eve of Sater's Congressional testimony to inflict maximum political damage.

67. The Kazakhs, in order to avoid paying Sater hundreds of millions of dollars for work performed by him in good faith and with diligence, made the decision to further smear him in the court of public opinion. For a group known for murder, rape, and theft of state assets, it was easier to continue to pay politicians in the United States rather than pay Sater for services successfully performed.

68. Despite being instructed not to pay Sater, when Sater's US government contacts presented Massimov with a draft complaint, Massimov immediately hired Greenberg Traurig to initiate settlement discussions in mediation and settlement talks, understanding that the pleadings contained therein had the potential to cause significant political damage to Kazakhstan.

69. As previously mentioned, the mediation was terminated following Massimov's arrest in January 2022 on charges of plotting a coup. The Russian directive not to pay Sater appears to be in full force following the introduction of Russian troops to crush the protests.

70. In all of this, Sater has suffered. Manipulated by Arcanum and the Kazakhs for political purposes, smeared in the press, used as a pawn in a power struggle halfway around the world and denied the payment that he earned from a contract he entered into in good faith, his objective now is to recover the US \$50-\$800 million or more that is owed to him, and to restore his good name by exposing the Kazakhs' treachery.

First Cause of Action
Defamation Against Arcanum

71. The foregoing paragraphs are incorporated by reference.

72. From June 2015 through September 2018, Felix Sater and Litco worked directly with Arcanum and Boies Schiller in furtherance of the Kazakhs efforts to recover the Ablyazov funds.

73. In working together, Sater disclosed private and confidential information to Arcanum and Boies Schiller, including personal information that people tend to share with colleagues over a long period of time working together.

74. In or about 2016, Arcanum prepared a PowerPoint presentation about Felix Sater, which Arcanum provided to Christopher Steele, a partisan anti-Trump operative, with the intention that it be supplied to the FBI and used to manufacture a RICO claim against Sater, which could be used against Trump.

75. The PowerPoint and other communications by Arcanum contained false and defamatory statements of fact about Sater and his business activities, which had the purpose and effect of harming Sater in his trade or profession by accusing him of serious crimes:

- a. That Sater was involved in embezzlement from BTA Bank;
- b. That Sater was involved in pyramid schemes;
- c. That Sater was involved in official US corruption;
- d. That Sater committed misconduct with respect to the Trump SoHo project;
- e. That Sater had committed RICO violations;
- f. That Sater, a married man, was “involved” with Ablyazov’s daughter.

76. Arcanum knew that the contents of the PowerPoint and other communications were false, or at minimum, published the PowerPoint with negligence, actual malice and/or reckless disregard as to the truth of the communication.

77. The PowerPoint and other communications made by Arcanum accused Sater of serious crimes and tended to injure Sater in his trade or business.

78. Before 2021, when he first became aware of the FBI 302, Sater had no reason to believe that Arcanum and the Kazakh Parties were secretly backstabbing him for political purposes.

79. This wrongful conduct harmed Sater, who is entitled to damages in an amount to be determined at trial.

Second Cause of Action
Defamation Against The Kazakh Parties

80. The foregoing paragraphs are incorporated by reference.

81. In or about 2016, Arcanum prepared a PowerPoint presentation about Felix Sater, which Arcanum provided to Christopher Steele, a partisan anti-Trump operative, with the intention that it be supplied to the FBI and used to manufacture a RICO claim against Sater, which could be used against Trump.

82. The PowerPoint and other communications by Arcanum contained false and defamatory statements of fact about Sater and his business activities, which had the purpose and effect of harming Sater in his trade or profession by accusing him of serious crimes:

- a. That Sater was involved in embezzlement from BTA Bank;
- b. That Sater was involved in pyramid schemes;
- c. That Sater was involved in official US corruption;
- d. That Sater committed misconduct with respect to the Trump SoHo project;

- e. That Sater had committed RICO violations;
- f. That Sater, a married man, was “involved” with Ablyazov’s daughter.

83. Arcanum knew that the contents of the PowerPoint and other communications were false, or at minimum, published the PowerPoint with negligence, actual malice and/or reckless disregard as to the truth of the communication.

84. The PowerPoint and other communications made by Arcanum accused Sater of serious crimes and tended to injure Sater in his trade or business.

85. At all times, the Kazakh Parties and the Kazakh KGB were controlling and directing the activities of Arcanum.

86. At all times, the Kazakh Parties knew that the PowerPoint and other communications contained false and defamatory statements of fact regarding Sater.

87. This wrongful conduct harmed Sater, who is entitled to damages in an amount to be determined at trial.

Third Cause of Action
Breach of Fiduciary Duty Against Arcanum and the Kazakh Parties

88. The foregoing paragraphs are incorporated by reference.

89. At all relevant times, Sater had a confidential relationship with Arcanum, the Kazakh Parties, and their counsel Boies Schiller.

90. Pursuant to the CAA and other agreements, Arcanum, the Kazakh Parties, and their counsel Boies Schiller had a duty to maintain confidentiality with respect to information supplied by Sater.

91. Furthermore, based on the nature of the relationship, including Sater’s participation in privileged legal communications, gave rise to a fiduciary or confidential

relationship between Sater (on the one hand) and Arcanum, the Kazakh Parties, and their counsel Boies Schiller (on the other).

92. Sater provided information to Arcanum, the Kazakh Parties, and their counsel Boies Schiller within the context of a fiduciary relationship, and therefore Arcanum and the Kazakh Parties had a fiduciary duty not to abuse the information Sater provided.

93. Arcanum and the Kazakh Parties breached their fiduciary duty by obtaining information from Sater on false pretenses, then disseminating such confidential information (together with false information) to Christopher Steele and others.

94. This wrongful conduct harmed Sater, who is entitled to damages in an amount to be determined at trial.

Fourth Cause of Action
Fraudulent Misrepresentation Against Arcanum and the Kazakh Parties

95. The foregoing paragraphs are incorporated by reference.

96. As described above, Arcanum, the Kazakh Parties, and their counsel Boies Schiller engaged in an elaborate and concerted deception lasting three years.

97. From 2015 until 2018, Felix Sater worked diligently under the CAA, believing that Arcanum and Boies Schiller were aligned in interest with Sater in the mission to recover the stolen Ablyazov money. In reality, Arcanum, the Kazakh Parties, and their counsel Boies Schiller were running an intelligence operation against Sater and Trump.

98. Through countless statements, acts and omissions, Arcanum, the Kazakh Parties, and their counsel Boies Schiller falsely represented their purpose and objective, concealing their double-game from Sater. This was done knowingly and intentionally.

99. Arcanum, the Kazakh Parties, and their counsel Boies Schiller's fraud resulted in the Kazakh KGB gaining access to confidential information about Sater, his contacts around the world, his dealings with Donald Trump, and many other subjects.

100. This fraudulently obtained information was weaponized against Sater and Trump, as evidenced by the fact that Arcanum assembled a dossier on Sater, which was turned over to Christopher Steele and the FBI. The same information was then leaked to ABC News.

101. Arcanum and the Kazakh Parties used their access to confidential information to smear and defame Sater (and Trump, by extension), making false and defamatory statements of fact about Sater and his business activities:

- a. That Sater was involved in embezzlement from BTA Bank;
- b. That Sater was involved in pyramid schemes;
- c. That Sater was involved in official US corruption;
- d. That Sater committed misconduct with respect to the Trump SoHo project;
- e. That Sater had committed RICO violations;
- f. That Sater, a married man, was "involved" with Ablyazov's daughter.

102. This wrongful conduct harmed Sater, who is entitled to damages in an amount to be determined at trial.

Fifth Cause of Action
Breach of Professional Ethics Against Arcanum and the Kazakh Parties

103. The foregoing paragraphs are incorporated by reference.

104. Arcanum and Boies Schiller acted as agents of the Kazakh Entities, which were controlled by Massimov and Rakishev with significant influence from the Kremlin.

105. At all relevant times, Boies Schiller and its partner Matthew Schwartz were lawyers practicing in New York, subject to the New York Rules of Professional Conduct for attorneys formulated by the New York Bar (the Rules of Professional Conduct).

106. The Kazakh Parties and Arcanum caused Boies Schiller to engage in conduct that is contrary to the Rules of Professional Conduct.

107. Specifically, Rule 3.3 provides that: “(a) A lawyer shall not knowingly: (1) make a false statement of fact or law to a tribunal”

108. Rule 4.1 provides that: “In the course of representing a client, a lawyer shall not knowingly make a false statement of fact or law to a third person.”

109. Rule 8.4 provides that “A lawyer or law firm shall not: . . . (c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation.”

110. Under the Rules of Professional Conduct, the prohibition against false statements is broad and includes misleading statements as well as affirmatively false statements. See *Matter of Antoine*, 74 AD3d 67, 72 (1st Dept 2010).

111. Boies Schiller breached its ethical duties to Litco and Sater by fraudulently concealing the fact that the Kazakh KGB, Arcanum, and Boies Schiller were conducting an opposition research project against Sater and Trump with the intent of having Sater prosecuted for purported RICO violations.

112. At all relevant times, Arcanum and the Kazakh Parties controlled Boies Schiller’s activities and are thereby liable for such violations of professional ethics.

113. This wrongful conduct harmed Sater, who is entitled to damages in an amount to be determined at trial.

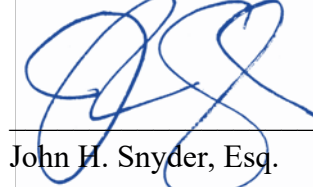
* * *

WHEREFORE, FELIX SATER request the following relief:

- a) On all Causes of Action, damages in an amount to be determined at trial.
- b) Such other and further relief as the Court may deem just and proper.

Dated: New York, New York
February 3, 2022

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Confirmed AG guidelines are public

FEDERAL BUREAU OF INVESTIGATION
PAYMENT REQUEST

Circumstances: _____
Appl. No.: _____
Is SAC responsible for this case? ☐ Yes ☐ No **Justification:** _____
Payment: _____
Period covered: _____
Depth covered: _____

b7E -2

Proposed Section: Reports

604170
 604171
 604172
 604173

b3 -1
b7E -2,4

[illegible]

b3 -1
b7D -2
b7E -1,2,6,8

参考文献

Submitted By _____
First Level Approved By _____
Second Level Approved By _____

FEDERAL BUREAU OF INVESTIGATION

1370340-13

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Confirmed AG guidelines are public

FD-794b

FEDERAL BUREAU OF INVESTIGATION
PAYMENT REQUEST

The Attorney General's Guidelines dated 12/13/2006 require that the payment of any FBI funds to a CHS be made by an FBI Agent and another government official. However, in extraordinary

circumstances, the SAC is authorized to approve an exemption to this requirement. This allows the FBI Agent to be the payer and only witness.

Is SAC approval for an exemption to the second witness requirement requested for this payment? ☐ NO

b7E -2

Period covered for this payment:

Begin: 06/30/2015

End: 11/30/2015

Payment Request Amount

Substantive Case File Number	Financial Program	Financial Subprogram
800H-RO-C3402086	EE	RO
Payment Description	Expense Incurred By	Payment Amount
Other Miscellaneous	CHS Expense	\$5,600.00

b3 -1

b7E -2,4

Operational Payment justification narrative:

From the end of June 2015 through November 2015, the CHS engaged a sub source, at the FBI's direction, to organize and facilitate meetings in Berlin, Germany between FBI WMDD components and an individual with knowledge of the Government of Russia's bio weaponization efforts. From the outset, the CHS identified the sub source to the FBI, who in turn identified the sub source to German authorities and COPS. After whom approval of the sub source's efforts to facilitate a meeting. The sub source, whose conduct was limited to the CHS, endeavored to do so and set meetings twice (September and November). However, on both occasions, it failed to the CHS of the sub source, the FBI (WMDD) cancelled at the last minute and the meeting was never conducted. Despite this, the CHS and sub source continue to be willing to facilitate a meeting. Attached is a bill dated January 25, 2016 that was submitted to the CHS by the sub source for his services (meetings, briefings, reports, travel accommodations, meals) for 5000.00 Euro. 302.4/1023's regarding the matter are documented in the file as are emails between Legat Rome, Legat Berlin, WMDD expanding the planning and ultimate cancellation of the meetings. Payment will be made to the CHS to reimburse expenses paid to the sub source in this regard.

Total CHS Services:	\$0.00
Total CHS Expenses:	\$5,600.00
Total Agent Expenses:	\$0.00

b3 -1

b7D -2

b7E -1,2,6,8

SIGNATURE

Submitted By

First Level Approved By

Second Level Approved By

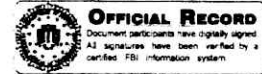
FD-794b

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FEDERAL BUREAU OF INVESTIGATION

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 11/09/2017

On Monday, 18 September 2017 and Tuesday, 19 September 2017, CHRISTOPHER STEELE, ORBIS Business Intelligence, was interviewed at The Grosvenor Hotel, London, England, by FBI [REDACTED] and FBI [REDACTED]. The following information was provided by STEELE over the course of the two-day interview. On 18 September 2017, in the initial part of the interview, STEELE was accompanied by his fellow ORBIS executive, CHRISTOPHER BURROWS. After about 45-60 minutes on 18 September 2017, BURROWS departed, and STEELE remained with [REDACTED] and [REDACTED] for the duration of 18 September 2017 and for the entirety of the interview on 19 September 2017.

On 18 September 2017, BURROWS opened the interview by expressing concern over loose business ends with the FBI. BURROWS explained that he and STEELE were still pretty upset about how the relationship with the FBI concluded because of the time and effort that had been taken to get information to the FBI. BURROWS explained that we had a contract with [REDACTED] adding that maybe the contract had been put together with STEELE serving as the "face" of ORBIS, but that there had been a contractual relationship.

STEELE and BURROWS apologized for going to the press back in the fall of 2016, but STEELE explained that as the election season went on, they as the company were "riding two horses" - their client and the FBI -- and after FBI Director James COMEY's reopening of the Hillary Clinton investigation, they had to pick "one horse" and chose the business/client relationship over the relationship with the FBI. They followed what their client wanted, and they spoke to the press. STEELE and BURROWS described the overall situation as being one where it was "your [FBI] fault" and "our fault." STEELE commented that it was not about the money owed, but BURROWS remarked that STEELE might not be that concerned about the money, but BURROWS was.

Reason: 1.4(c)**Derived From: Multiple Sources****Declassify On: 20421231**~~SECRET//ORCON/NOFORN~~Investigation on 09/18/2017 at London, United Kingdom (In Person)File # [REDACTED] Date drafted 11/09/2017by [REDACTED]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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[REDACTED]
 (S//OC/NF) Interview of Christopher Steele
 Continuation of FD-302 of Steele, On 09/18/2017, Page 2 of 26

STEELE and BURROWS were confused over whether [REDACTED] and [REDACTED] represented the FBI or the Office of the Special Counsel. BURROWS made the point, in his former career, he "knew [Robert] Mueller." They wanted to make sure that they were talking to the Office of the Special Counsel.

STEELE and BURROWS indicated frustration by the inclusion of their company's reporting in the United States (US) Intelligence Community's Intelligence Community Assessment (ICA) of Russia interference in the 2016 election, particularly the ICA "annex" as reported in the media. STEELE and BURROWS felt that they should have had advance warning that the company's reporting was going to be used in the annex. The inclusion of the company's information and the subsequent public leak of the annex put STEELE's name out there and had a "massive impact on our lives." STEELE and BURROWS wanted to know how the US [REDACTED] governments had worked all of this out, and also wanted to know [REDACTED] was told that the information was going in the ICA.

STEELE and BURROWS described President TRUMP as their "main opponent" and indicated that they were fearful about how TRUMP's presidency negatively impacted the historical UK-US alliance and the US-UK special relationship.

STEELE said that GLENN SIMPSON of Fusion GPS was knowledgeable that STEELE was sharing reports and information with the FBI.

STEELE explained that, in the run-up to the 2016 US presidential election, they provided material to BRUCE OHR and were pushing OHR to do something about the reports.

STEELE said that he had been unsure to whom [REDACTED] he could provide the election-related reports. [REDACTED]
 [REDACTED]

STEELE said that his primary subsourse for the election reports - who he would not identify by name for the entirety of the interview - had also provided information used in earlier, non-election related reporting provided to the FBI.

STEELE's primary subsourse met with [REDACTED]. The primary subsourse had shared a photo with STEELE depicting [REDACTED]. STEELE tried to have his primary subsourse record a meeting between the primary subsourse and [REDACTED] but it was not successful. [REDACTED]

[REDACTED] has lost contact with STEELE's primary subsourse. STEELE said that [REDACTED] is the [REDACTED]

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(S//FOUO//NF) Interview of Christopher

Continuation of FD-302 of Steele

, On 09/18/2017 , Page 3 of 26

individual who originally provided the primary subsource with the Ritz Carlton-related information about TRUMP. STEELE's primary subsource followed up [REDACTED] information with three people. ORBIS has the names of the three people with whom the primary subsource followed up.

[REDACTED]

STEELE said that he had never heard of CARTER PAGE or MICHAEL COHEN or GEORGE PAPADOPOULOS before this whole thing. He had heard of PAUL MANAFORT which STEELE said got the whole thing started. He had heard of [REDACTED] before this, and told interviewers that he would describe this in greater detail later in the interview.

When asked by interviewers about his vetting and validation of his primary subsource, STEELE said that he knew the primary subsource's background and the current positions of his primary subsource's sub-sources. STEELE said that his primary subsource's reporting was consistent over multiple projects, which STEELE used as a vetting and validation point of reference. STEELE also confirmed his primary subsource's reporting through other sources.

STEELE said that ORBIS has four discrete, "hermetically-sealed" main agent networks. The biggest of these was the network involved with his primary subsource, which isn't as active now. For one of the older networks, the main agent had died. Another main agent network is up and running and is now starting to get good information. It is based on a new main agent - not the primary subsource for the election reports - and it is being redirected to collect on Russia. STEELE also said that he has a source [REDACTED]

STEELE said that his primary subsource feels like it is about time to engage with the Office of the Special Counsel. STEELE spoke with his primary subsource last night, and the primary subsource is coming along with the idea of talking with Special Counsel, but was not there yet. STEELE is still very concerned to protect his primary subsource. The primary subsource has a very special story, especially how [REDACTED] came to work for ORBIS. The primary subsource was introduced to STEELE and ORBIS by FIONA HILL in or around 2011. [REDACTED]

[REDACTED] Emphasizing the sensitivity, STEELE explained that HILL now worked for the White House on the National Security Council. HILL has a very high opinion of the primary subsource, and she told STEELE that he and ORBIS should take a look at him. HILL is one of STEELE's close friends - STEELE later described in the interview

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 [REDACTED]
 [REDACTED] Interview of Christopher Steele, On 09/18/2017, Page 4 of 26
 Continuation of FD-302 of [REDACTED]

that his wife went to university with HILL, and that HILL's daughter is named after a now-deceased mutual college friend of HILL and his wife.

STEELE said that his primary subsource [REDACTED]

[REDACTED] STEELE added that someone who was Ukrainian could possibly have the type of access his source has. [REDACTED]

STEELE trained up his primary subsource, and STEELE described him as a prolific asset. The primary subsource's motivations include the fact that he considers [REDACTED]

[REDACTED] The primary subsource uses [REDACTED] prior university contacts, and [REDACTED] reporting has become better over time. STEELE was asked by interviewers if his primary subsource had anything happen to [REDACTED] while collecting for ORBIS. STEELE indicated that his primary subsource had reported being hauled in front of immigration authorities [REDACTED]. The primary subsource was shaken down for money - [REDACTED] was forced to go to an ATM and withdraw money and paid the bribe. STEELE took this as a good sign for validation purposes, remarking that things haven't gone smoothly for his primary subsource all the time.

STEELE said that his primary subsource took [REDACTED] trips [REDACTED] in 2016 for collecting information for the election-related ORBIS reports. STEELE said that he was working on memory for some of this, as ORBIS destroyed materials for legal reasons. STEELE said that his primary subsource took trips in [REDACTED] STEELE would debrief his primary subsource after these trips. STEELE also said that STEELE took three trips himself [REDACTED] in 2016 and talked with his primary subsource. STEELE dated his [REDACTED] - after STEELE had met with FBI representatives in Rome.

STEELE said that his primary subsource uses [REDACTED] [REDACTED]. There was a push to get an audio capture of primary subsource's conversations with one of [REDACTED] own sub-sources, and they were successful in obtaining audio of a conversation between the primary subsource and [REDACTED] sub-subsource regarding MICHAEL COHEN's meeting in Prague. STEELE told interviewers that he did not have that audio capture in its original form. STEELE explained that he had to be careful regarding legal issues, but they had audio capture and a transcription of the audio capture. There may be an opportunity to obtain more on this because this particular sub-subsource [REDACTED] and in an accessible place. STEELE's primary subsource is having dialogue with that particular subsource, and that individual may be thinking of "coming in."

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FD-302a (Rev. 05-08-10)

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(b) (7)(C), (b) (7)(D) Interview of Christopher

Continuation of FD-302 of Steele

, On 09/18/2017 , Page 5 of 26

STEELE described this particular sub-subsource in greater detail [REDACTED]

STEELE said that another, different sub-subsource had provided information on cyber. This particular sub-subsource talked about how the Russian Federal Security Service (FSB) was able to turn an individual who had been caught money laundering and get him/her to work cyber operations for the FSB. STEELE commented about how this is a typical operating procedure for the FSB.

In reference to a question posed by interviewers about the primary subsource's reporting [REDACTED], STEELE said that his primary subsource had traveled [REDACTED]. The primary subsource [REDACTED]

[REDACTED] STEELE could not recall exactly which of his primary subsource's 2016 trips [REDACTED] involved a trip to [REDACTED], but it may have been on the [REDACTED] one.

STEELE said that the primary subsource's [REDACTED] trip involved [REDACTED] being [REDACTED]

[REDACTED] The [REDACTED] trip occurred at the time that STEELE was meeting with FBI representatives in Rome. This was why STEELE couldn't contact the primary subsource during that time - the primary subsource had said not to contact [REDACTED] because [REDACTED]. This is the event, STEELE added, during which time the primary subsource collected information about EDWARD SNOWDEN and also a senior FSB officer.

STEELE explained that, when collecting information for ORBIS, his primary subsource plays up [REDACTED] overt, academic interests. [REDACTED] The primary subsource does favors for people.

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[REDACTED]
 (S//OC/NF) Interview of Christopher Steele
 Continuation of FD-302 of Steele, On 09/18/2017, Page 6 of 26

In fact, STEELE explained that STEELE had helped to recommend the best English language school for one of his primary subsource's sub-sources.

With respect to the election-related reports, STEELE said that it did not take much effort early-on for his primary subsource to collect information because the whole thing was an "open secret" in Moscow. People would start talking in bars, and the primary subsource could easily elicit information. Later, as 2016 progressed, sources of information started shutting down and it became harder to obtain information.

STEELE said that the primary subsource has sub-sources with serious access to named people [REDACTED] tight circles.

According to STEELE, the primary subsource has traveled [REDACTED]. The primary subsource has contacts in different cities - for example, the primary subsource is close to, or has sub-sources close to, [REDACTED]. STEELE commented that his primary subsource has collected information for many of ORBIS' litigation clients in the energy and mining sectors. [REDACTED] For the election-related reports, the primary subsource had about [REDACTED] trips [REDACTED] in [REDACTED].

STEELE explained that ORBIS' initial interest in the US election-related material stemmed from a litigation-related issue. It involved potential litigation with PAUL MANAFORT, and ORBIS' interest started around May 2016. MANAFORT had disappeared for multiple years and appeared to be hiding from creditors. MANAFORT owed money -- \$100 million to oligarchs and more money to Russians (NFI). STEELE explained that FUSION GPS had a different client for whom it was already doing research on MANAFORT. Around June 2016, STEELE met with FUSION GPS and they decided to start swapping notes. Soon thereafter, the decision was made to have FUSION GPS hire ORBIS on the election-related stuff - FUSION GPS would "take [ORBIS] on for the bigger issue." In June 2016, ORBIS took its own crack at the election-related stuff. STEELE said that it wasn't the only politically-sensitive investigation ORBIS was working at the time. For example, ORBIS was handling an English Football Association (FA) matter regarding a competitor for the bid process. STEELE also said - and emphasized the extreme sensitivity of this example -- ORBIS was also involved in doing work regarding the election campaign for the UN Secretary General post - a client wanted them to work up material on possible voting intentions.

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(S//FOUO//NF) Interview of Christopher Steele
 Continuation of FD-302 of Steele, On 09/18/2017, Page 7 of 26

In [REDACTED] 2016, ORBIS got election-related reporting from the primary subsource, as well as from a different subsource. In [REDACTED] STEELE indicated that they got a debriefing about RYBOLOVLEV and the sale of property in Florida. STEELE remembered that the material on RYBOLOVLEV was received before STEELE took a holiday trip to Cyprus.

STEELE said that his primary subsource did a bit of work [REDACTED] on election-related collecting. [REDACTED] the primary subsource talked to [REDACTED] and one or two others. Regarding [REDACTED] STEELE said that the primary subsource was introduced [REDACTED] and the primary subsource met [REDACTED]. The primary subsource had [REDACTED]. The primary subsource and [REDACTED] discussed a [REDACTED]. STEELE recalled seeing some documentation about [REDACTED]. STEELE described it as a [REDACTED].

STEELE described his primary subsource's sub-subsource networks. While doing this, STEELE drew a diagram for interviewers. See attached.

On reporting regarding CARTER PAGE, STEELE said that it stemmed from Page's speech in Moscow in July 2016. The reporting about PAGE's meetings with IGOR SECHIN and IGOR DIVEYKIN all came from the same sub-subsource - [REDACTED].

On reporting about OLEG GOVORUN, STEELE identified this stream of reporting as stemming from a different sub-subsource --- [REDACTED].

On reporting involving DMITRIY PESKOV's office, this reporting stems from a "friend of a friend" of the primary subsource. Later, STEELE gave the identity of this individual [REDACTED].

On reporting about Prague and ROSSOTRUDNICHESTVO, STEELE said that [REDACTED].

STEELE talked in more detail about his decision to talk to the press. STEELE said that after COMEY's letter reopening the HILLARY CLINTON investigation, FUSION GPS felt like the gloves had come off. STEELE said that he had previous discussions earlier with BRUCE OHR about getting the

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[REDACTED]
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election-related material out, but OHR had explained to STEELE about US Department of Justice policy about needing to be hands-off prior to elections. FUSION GPS put pressure on ORBIS to talk to Mother Jones. STEELE initially said that his interview with Mother Jones was supposed to have been off-the-record, but then he added that the interview was a combination of off-the-record and on-the-record. STEELE said that, in the end, he should not have given the interview. STEELE said that, subsequently, with the rift that the interview had caused with the FBI, they had no way of getting this information into the hands of people who they believed needed it. That is when they decided to go the route of Senator JOHN MCCAIN and DAVID KRAMER. In the end, however, STEELE believes that the decision to go the MCCAIN and KRAMER route is how Buzzfeed got the material and is why, now, STEELE has the legal problems he has.

BRUCE OHR is aware that STEELE is currently in touch with the FBI. OHR knows about this meeting. STEELE said that he has reached out to OHR and GLENN SIMPSON about the primary subsources.

STEELE believes that his primary subsources is coming around to the idea of meeting with the Office of the Special Counsel. STEELE only wants that to happen if the primary subsources agrees to it. It needs to be carefully handled. For instance, [REDACTED]
 [REDACTED]

STEELE said that the primary subsources has been doing a bit of work for ORBIS recently. [REDACTED] has been reaching out to some of the same sub-sources. ORBIS has had an interest in the "prophylactic efforts" by the Russian government following the publicity of the dossier.

When asked what type of tradecraft STEELE's primary subsources has used when collecting information for ORBIS, STEELE said that his primary subsources uses [REDACTED]

[REDACTED] The primary subsources takes very few written notes. The primary subsources is very thorough when it comes to preparing [REDACTED] to be debriefed; [REDACTED] takes time before being debriefed to get [REDACTED] thoughts and recollections together. STEELE said that the primary subsources uses [REDACTED]

[REDACTED] The primary subsources has used this approach in the past - STEELE mentioned trips that the primary subsources has taken [REDACTED] on behalf of ORBIS' due diligence and legal work, including for [REDACTED]. The primary subsources has a very good memory.

STEELE said that only four or five people in ORBIS' office have dealt with the primary subsources. The primary subsources was debriefed the first time

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[REDACTED]
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in the office, but not after that. STEELE said that ORBIS is now very concerned about bugging, so they wouldn't debrief sources in their office.

STEELE has had substantive debriefings with the primary subsource. STEELE explained that the primary subsource was not just working on election-related collection during the primary subsource's 2016 trips to Russia. He was working on multiple projects at the same time. That said, STEELE indicated that the primary subsource definitely collected on election-related materials during [REDACTED] in 2016.

STEELE said that the primary subsource is currently working through obtaining [REDACTED]. The primary subsource hasn't been back [REDACTED] since his 2016 trips.

STEELE said that he is close enough to the primary subsource that the primary subsource would have told him that [REDACTED] been interviewed (NFI).

STEELE said FIONA HILL knows that the primary subsource was involved in the dossier. When the primary subsource went to ground in January and February 2017, STEELE contacted HILL and told HILL that he was worried about the primary subsource. STEELE said that she probably guesses that the primary subsource was involved. STEELE remembered seeing HILL in the UK in early 2016, while STEELE's wife was abroad. HILL was still at Brookings. STEELE does not recall the last time he saw HILL.

STEELE said that the primary subsource [REDACTED]
 [REDACTED]

When asked about STEELE's own validation and/or assessment of hostile control for the primary subsource, STEELE mentioned a number of things which he took to be positive signs. First, there was the incident involving the primary subsource being shaken down for money. Second, the primary subsource exhibits behavior indicative of someone who is scared - the primary subsource would not be talking about coming to the talk to the Special Counsel if there was a problem. STEELE does not believe that the primary subsource exhibits signs or behavior of someone who is under control. STEELE cannot guarantee that the primary subsource's sub-sources aren't under control. STEELE said that it hasn't been easy for the primary subsource to get information - [REDACTED] has had to dig for it. Moreover, STEELE said that he is not sure why the primary subsource would still be hanging around or be [REDACTED] if [REDACTED] was under foreign control.

STEELE gave details of a REX TILLERSON-related report from the primary subsource - a report that STEELE is unsure the FBI possesses because

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STEELE didn't provide it to the FBI. STEELE said that in order to explain the report, he has to first talk about earlier ORBIS reporting from approximately 3 years ago, circa 2014. At that time, ORBIS was working on a hydrocarbon project for a client. It became clear from reporting during that project that Exxon-Mobil was well-placed in Russia and that TILLERSON had an atypical type of relationship with SECHIN. It was odd, STEELE said, to the point that STEELE thought that something was going on, particularly with SECHIN. There was more between TILLERSON and SECHIN than just shared hobbies like Harley-Davidsons. STEELE said that the reporting on this subject died down, the client moved on, and the sanctions regime kicked in. Then, circa December 2016, following the election, President-Elect TRUMP was initially flirting with MITT ROMNEY as a possible candidate for US Secretary of State. There was a long hiatus during which time there was general speculation about whether the position would go to ROMNEY or not. STEELE's primary subsorce picked up information from sources in Russia's Ministry of Foreign Affairs (MFA) that Washington, DC had received messages from Russia indicating that ROMNEY was an unacceptable candidate and that Russia wanted someone who was more acceptable and who might lift sanctions. TILLERSON's name, according to STEELE, isn't in the report from the primary subsorce, but what happened in the end was, to STEELE, surprising given the reporting. STEELE said that this report may have been shared with DAVID KRAMER - STEELE sent it to GLENN SIMPSON with the idea of having it shared.

STEELE explained how he shared the election-related reports with [REDACTED]. He knew [REDACTED] from his previous career. STEELE was trying to figure out the best way of sharing this information with his own government, but wasn't completely comfortable [REDACTED]

[REDACTED]

STEELE is hesitant about sharing his information [REDACTED], as well as with CIA and NSA. He is concerned about the existence of hostile penetrations and his primary subsorce's security. STEELE says that his information needs to be handled in a need-to-know way.

STEELE said [REDACTED] was not given as much information regarding the primary subsorce's network as he has given to the FBI.

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[REDACTED]

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STEELE was asked about his primary subsource's physical security. STEELE said that the primary subsource [REDACTED]. Someone in the primary subsource's [REDACTED]

When asked about STEELE's knowledge of the primary subsource's contact with Russian establishments, STEELE said that the primary subsource had someone over [REDACTED]

[REDACTED]. STEELE said that it was strange, but nothing alarming. [REDACTED]

[REDACTED] That was how the primary subsource knew that KALUGIN had been withdrawn from the United States. When the primary subsource asked about KALUGIN's leaving the United States, [REDACTED] KALUGIN did not explicitly say that he was withdrawn because of the election controversy.

When asked about STEELE's knowledge of any journalists who have approached the primary subsource, STEELE said that in [REDACTED]

[REDACTED] The journalist told the primary subsource that he had heard [REDACTED] that the primary subsource might have some information about the dossier. STEELE said that the primary subsource gave a bland answer, but the entire situation caused the primary subsource some consternation. The primary subsource took it as a warning that [REDACTED] was found out. This is why, explained STEELE, the primary subsource went to ground [REDACTED] timeframe and is why STEELE reached out to FIONA HILL to check on the primary subsource's whereabouts and safety.

When asked about STEELE's knowledge of whether any of the primary subsource's sub-sources knew that their information was used in the dossier, STEELE said that some of the primary subsource's sub-sources

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have talked to [REDACTED] in a cryptic manner about the reports. In one case, specifically the individual who provided the information to the primary subsource about GUBAREV, [REDACTED]

[REDACTED] STEELE believes that the primary subsource's sub-sources have an idea that their information was used in the dossier.

STEELE said that the primary subsource's [REDACTED]

[REDACTED] STEELE understands that the primary subsource [REDACTED]. They did not indicate that they've had any problems or have experienced any harassment.

STEELE talked about the EROVINKIN situation. EROVINKIN was the former top aide to SECHIN in ROSNEFT who was found dead in December 2016. STEELE said that some people and the press have mistakenly tied EROVINKIN to the dossier - namely as a possible subsource on the SECHIN material. STEELE does not believe that EROVINKIN was one of the primary subsource's sub-sources; nevertheless, STEELE takes this whole situation very seriously and gives him pause. It reminds him of another, recent situation involving [REDACTED] whose reporting is in the dossier. STEELE described [REDACTED] as "out there" engaged with Westerners. STEELE believes that there is a general feeling [REDACTED] has been cultivated by Western intelligence. On this note, about three or four months ago, there was a shooting in the restroom of the Moscow restaurant named KOSMOS. The shooting was in broad daylight and an individual named KOSTYA MYASKI or MYANSKIY (sp) was the victim. STEELE believes that this was a warning shot [REDACTED]. The incident occurred in the May 2017 timeframe.

STEELE was asked about ORBIS' business security procedures since the public release of the dossier. STEELE said that they had a situation arise where someone tried to spoof or impersonate the outside contractor who does ORBIS's IT security. There was an attempt to change the password for their internal system, which was detected. The IT security contractor was contacted to determine if the attempt was legitimate. If this had been successful, it could have exposed clients, but not sensitive reporting as that is kept offline.

STEELE was asked if ORBIS has had any situations, post-dossier, where ORBIS thought that it was being offered dangles or was the object of operational games. STEELE said that this question reminded him about the CODY SHEARER situation and the offer of tapes, which STEELE said he would talk about later. STEELE commented that the existence of tapes have been played out of proportion, adding that just the fact that the Russian government has leverage on President TRUMP is a problem. It would be difficult to know if a tape has been doctored. STEELE said that there is a

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concern, following the public release of the dossier, that any situation involving the provision of tapes can be a dangle or a controlled operation. STEELE has heard, and it is his understanding, that the situation involving CODY SHEARER and the tapes parallels something that the US Government has been involved with, but he plans on talking about that in more detail (see below). STEELE added that there are some "dark web" aspects to this, and STEELE asked about who was handling or analyzing "dark web" issues for the FBI.

STEELE did not provide funds to his primary subsource for payment to sub-sources. STEELE said that he provided a monthly retainer to his primary subsources, and said that a primary subsource might, in turn, pay for food or drinks while collecting information from his or her sub-sources, but the sub-sources are not paid for information. STEELE also advised that he sometimes paid for his primary subsources' trip expenses, save for the primary subsource's [REDACTED]

[REDACTED]. The fact that sub-sources are not paid for their information was, to STEELE, an important point when it came to the issue of reporting quality -- STEELE advised that the lack of payment meant there was no incentive for sources to exaggerate their information. In one situation, STEELE advised that his company and/or FUSION GPS were involved in obtaining [REDACTED] for one of his primary subsource's sub-sources, [REDACTED]. STEELE recalled that ORBIS may have provided money [REDACTED], which were then procured by FUSION GPS. [REDACTED] were wiped for prints before being provided to the source (NFI).

STEELE provided some overall comments regarding the election-related dossier reports. The time between ORBIS's receipt of information to report publication was generally quick -- the time could vary, but often a report was generated two days to one week after the debriefing of the primary subsource. In some cases, where the difference between the date of information and the date of published report was within a day, the information for the report had most likely been received [REDACTED], rather than through an in-person debriefing with the primary subsource.

In the election-related dossier reports, STEELE said that the commentary labeled "Company Comments" was generated by FUSION GPS. The first report from ORBIS to FUSION GPS was sent via direct courier; however, reports were typically encrypted and sent via email.

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[REDACTED]
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[REDACTED], [REDACTED] and STEELE went over each of the election-related dossier reports, with STEELE providing additional information on each report, as appropriate. STEELE explained that he intentionally left sequential gaps in the numbering of his election-related reports to obscure the actual number of reports being produced on the subject as well as to obscure the timing of the reports:

Company Intelligence Report 2016/80 (dated 20 June 2016)

Under "Detail," STEELE identified the "trusted compatriot" as his unnamed primary subsource. In the same report, Source A was [REDACTED], while Source B [REDACTED]. STEELE said that his primary subsource [REDACTED]

[REDACTED] In the report, Source C was [REDACTED] who was in direct contact with the primary subsource. This [REDACTED] had been a major sub-source for a long time on other matters.

In the report, STEELE identified Source D as [REDACTED] who, according to STEELE, was in direct contact with the primary subsource. Sources E and F, according to STEELE, [REDACTED]. STEELE said that his primary subsource personally visited the hotel [REDACTED].

Source G was [REDACTED], a "friend of a friend" of his primary subsource. During the primary subsource's trips [REDACTED], [REDACTED] the one who advised the primary subsource that because things were heating up, there had been a directive given advising that they (NFI) should not speak to anyone regarding Russia's interest in, or involvement with, the 2016 US Presidential Election.

STEELE indicated that the primary subsource collected the information for this report (2016/80) during a trip [REDACTED]

Company Intelligence Report 2016/94 (dated 19 July 2016)

STEELE indicated that the information in this report was collected by the primary subsource [REDACTED]

In paragraph 3 of the report, according to STEELE, the "compatriot" is a [REDACTED]. STEELE's primary subsource's sub-

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subsource is [REDACTED]

The information in this report was not collected during an [REDACTED] by STEELE's primary subsource. [REDACTED]

Company Intelligence Report 2016/100 (dated 5 August 2016)

STEELE referred to this reporting as being derived his primary subsource's interaction with [REDACTED]."

but STEELE was not sure about the sub-subsource's identity, adding that he [STEELE] had destroyed all of his notes. STEELE offered to try and find out the identity of the unidentified sub-subsource.

Company Intelligence Report 2016/95 (handwritten date 29 August 2016)

STEELE said that Source E in paragraphs 1 through 5 in this report was [REDACTED] who was speaking to the primary subsource. It was [REDACTED] who told the primary subsource the information in this report about MANAFORT, WIKILEAKS, and Russia's use of diplomatic staff and the emigre pension program as "cover."

In paragraph 6 of the report, the "separate source with direct knowledge" was an unidentified individual who was involved in [REDACTED]

STEELE could not remember the exact identity of the individual, but [REDACTED]

Company Intelligence Report 2016/97 (dated 30 July 2016)

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STEELE said that the "trusted associate" in the first paragraph was his primary subsource, and the "Russian emigre figure close to the Republican US presidential candidate," was [REDACTED]. STEELE said that [REDACTED] provided the entirety of this report. [REDACTED] provided this information directly to STEELE's primary subsource, including the information in the report about how the "intelligence exchange" between the TRUMP team and the Kremlin went back at least 8 years.

Company Intelligence Report 2016/101 (handwritten date 29 August 2016)

STEELE advised that paragraphs 1-3 of this report involve the primary subsource's obtaining of information [REDACTED]. STEELE described this report as dealing with "fallout information" -- that is, information about how the Russian government was dealing internally with the publicity surrounding Russian involvement in the US election.

STEELE indicated that the "Kremlin official involved in US relations" noted in paragraph 4 of the report [REDACTED]. STEELE said that his primary subsource [REDACTED].

Company Intelligence Report 2016/102 (dated 10 August 2016; handwritten date 29 August 2016)

STEELE believed that the information in paragraphs 1 and 2 in this report -- though he was not 100% sure -- was derived from [REDACTED]. Based on the date of the report and on the information in the report, STEELE believes that the report was generated through personal contact between [REDACTED] and his primary subsource. It also appears to STEELE that the report was generated [REDACTED]. Because there is only one day between the date of information (9 August 2016) and the date of the report (10 August 2016), STEELE said that it doesn't appear that the report was generated following one of his primary subsource's trips [REDACTED]. Instead, it appears that his primary subsource made contact while [REDACTED] [the primary subsource] was [REDACTED], and could therefore report the information to STEELE right away.

Company Intelligence Report 2016/105 (dated 22 August 2016)

STEELE advised that this report was based on a unique reporting stream. His primary subsource has a relationship with sub-subsource,

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who is [REDACTED]

[REDACTED]

According to STEELE, the "American political figure associated with Donald TRUMP and his campaign" noted in paragraph 3 of this report could be [REDACTED], speaking directly to STEELE's primary subsource.

Company Intelligence Report 2016/111 (dated 14 September 2016)

STEELE described this report as another "fallout" piece -- that is, a report about the Russian government was dealing internally with the public accusations and news stories regarding Russian interference in the 2016 election. The information in this report was derived from his primary subsource's direct contact with multiple sub-sources. These sub-sources included [REDACTED]

[REDACTED] STEELE explained that his primary subsource had [REDACTED]. STEELE's primary subsource had direct contact with all of these [REDACTED] sub-sources -- [REDACTED] contact with them was not brokered.

The "former top level Russian intelligence officer and Kremlin insider" referenced in the "Company Comment" for this report was [REDACTED]

Company Intelligence Report 2016/112 (dated 14 September 2016)

This report is derived from the [REDACTED] STEELE indicated that he had no doubt that [REDACTED] was the source of the reporting for this entire report. Even though this [REDACTED] travels, and [REDACTED] talks to STEELE's primary subsource via [REDACTED], STEELE advised that the information for this particular report was obtained during one of his primary subsource's trips [REDACTED].

Company Intelligence Report 2016/113 (dated 14 September 2016)

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[REDACTED]
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STEELE advised that the information in this report was derived from his primary subsource's visit [REDACTED] 2016. The primary subsource had [REDACTED]

[REDACTED] STEELE reiterated that his primary subsource traveled [REDACTED]

Reflecting on the content of this report, STEELE commented that he had never heard of AGALAROV prior to this report, save for EMIN AGALAROV's music. STEELE did not know much about AGALAROV as he had not crossed paths with him professionally.

Company Intelligence Report 2016/130 (dated 12 October 2016)

STEELE believed that the information in this report was derived from his primary subsource's interaction with one of [REDACTED]

[REDACTED] but STEELE was not completely sure.

STEELE believes that this report was produced after STEELE's meeting with FBI representatives in Rome, which had happened the week prior, and after [REDACTED] attended by his primary subsource. STEELE's primary subsource [REDACTED]

During [REDACTED] the primary subsource also spoke to a Russian Federal Security Service (FSB) officer at a party. One of the topics brought up during the primary subsource's conversation with the FSB officer was EDWARD SNOWDEN. This contact with the FSB officer was direct -- it was not brokered through another individual.

For the final paragraph of the report (paragraph 4), STEELE was unsure if the information was derived from the "SNOWDEN source" but thought it was unlikely to have been the FSB officer.

STEELE advised that his primary subsource had not had official contact with the FSB, though STEELE believes that his primary subsource may have talked to a local FSB officer [REDACTED].

Company Intelligence Report 2016/132 (dated 13 October 2016)

STEELE indicated that [REDACTED] was the source of the information in this report. This information was collected during the primary subsource's visit [REDACTED] 2016 -- the same trip

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Continuation of FD-302 of

Company Intelligence Report 2016/134 (dated 18 October 2016)

Company Intelligence Report 2016/135 (dated 19 October 2016)

Company Intelligence Report 2016/136 (dated 20 October 2016)

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[REDACTED]
 (b) (7)(C), (b) (7)(D) Interview of Christopher Steele
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Reflecting on the "Company Comment," STEELE emphasized that the information was obtained directly rather than by any of the brokered, [REDACTED] reporting chains. STEELE's primary subsources obtained the information directly from his third-country sub-subsource.

Company Intelligence Report 2016/137 (dated 24 October 2016)

STEELE believes that this report was derived from his primary subsources' communication with [REDACTED] but he was not 100% sure. Logically, STEELE said, since [REDACTED] is the one who reported on IGOR DIVEYKIN in an earlier report, it would follow that this report's material on DIVEYKIN also came from [REDACTED]. STEELE said that SECHIN would have told this sub-subsource about DIVEYKIN. STEELE added that [REDACTED]

[REDACTED] SECHIN originally met [REDACTED] through professional interaction. STEELE believed that [REDACTED] professional work can be confirmed through open sources.

Company Intelligence Report 2016/139 (dated 27 October 2016)

STEELE indicated that the "senior Russian journalist working in the United States" in this report is [REDACTED]

[REDACTED] STEELE believed that the [REDACTED]

STEELE noted that, at this point, [REDACTED] had disappeared. STEELE believes that [REDACTED]. However, STEELE also knows that [REDACTED]

Intelligence Report, Information Dated 29 November 2016

This report was not included in the material STEELE provided to the FBI; he believes that it was provided to the FBI from Senator JOHN MCCAIN. The information in this report was generated through his primary subsources' communication with a senior MFA official. Reflecting on what he said earlier about some of the 2014 background of this particular report (see above), STEELE indicated that the earlier, 2014 information has been obtained from his primary subsources' communications [REDACTED]

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[REDACTED]
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Company Intelligence Report 2016/166, dated 13 December 2016

STEELE advised that this was his "favorite" report, involving MICHAEL COHEN, WEBZILLA, and ALEXEJ GUBAREV. The information on MICHAEL COHEN was obtained by the primary subsource's direct communication with [REDACTED]
 [REDACTED]
 [REDACTED]

Company Intelligence Report 2016/086, dated 26 July 2015

First, STEELE was asked about the date of this report, specifically the year. Upon reflection, STEELE said that he believes this is a typo, and that the year was actually 2016 versus 2015.

STEELE advised that this cyber-related report in the dossier had been tasked by the FBI. It had been tasked by [REDACTED] and was passed to the FBI.

Company Note, dated 19 October 2016

This is the CODY SHEARER and JON WINER report. STEELE advised that this was not an ORBIS report. STEELE received this report from JON WINER. The report pre-dates the dossier, and was produced circa April 2016. STEELE advised that SHEARER was an associate of SIDNEY BLUMENTHAL. SHEARER is also friends with a Turkish-American businessman with the last name of KHAN (NFI). KHAN was in touch with RUSLAN MANSIMOV, aka ASLAN TURAN, aka ASLAN TURANCI. According to STEELE, MANSIMOV was a "Southern Caucasus mongrel" -- Armenian/Azeri/Russian -- and worked in Turkey and Rome. KHAN brokered contact between SHEARER and MANSIMOV in New York and Istanbul. MANSIMOV worked for the FSB -- STEELE said that MANSIMOV's affiliation with the FSB was not a secret.

STEELE advised that this SHEARER/WINER report was not related to the dossier and was based on long-standing relationships among the identified individuals. STEELE said that the report had pluses and minuses. The "plus" of the reporting was that it chimed with the Miss Universe reporting, the Ritz-Carlton reporting, and the AGALAROVs. The "minus" of the reporting was the fact that MANSIMOV was, according to STEELE, neither the most sophisticated nor impressive person. MANSIMOV's Russian language skills were not that great, as it was not his first language. STEELE opined that MANSIMOV's first language may be Azeri.

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 [REDACTED]
 [REDACTED] Interview of Christopher Steele, On 09/18/2017, Page 22 of 26
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After the dossier was published, MANSIMOV was not an active contact. MANSIMOV had claimed to be part of a faction in Russia, along with some other FSB officials, who were shocked at the attacks on the US election. MANSIMOV thought that the "crazies" (NFI) were out of control, and that it would blow up in their faces (NFI).

Recently, MANSIMOV has recontacted KHAN and was offering to provide tapes of President TRUMP. At least one of those tapes was related to the Miss Universe event and involved urine. KHAN brokered contact between SHEARER and MANSIMOV. SHEARER and MANSIMOV were actively discussing a deal for the tapes. MANSIMOV wanted money and "good standing" (NFI). MANSIMOV also claimed that an FSB technical officer with the rank of colonel was interested in defecting and wished to speak to them. The FSB officer had difficulty traveling; therefore, it was suggested that they meet in Kazakhstan.

SHEARER and MANSIMOV met in Istanbul and are considering an upcoming meeting in Spain within the coming weeks.

STEELE advised that he wished to keep this interaction "at an arm's length," as he does not want to fall into a trap. STEELE opined that this could be genuine, or a fabrication, or a set-up -- suggesting that it could involve a faction of the Democratic Party and he feared a possible FCPA violation. STEELE advised that WINER was aware of the situation, and was the one who informed STEELE about it. STEELE opined that SHEARER was not acting discreetly. STEELE said that the media was "sniffing" around MANSIMOV.

Additionally, STEELE advised he believed it was doubtful that IVANKA TRUMP was collecting large amounts of money. STEELE was complimentary of IVANKA TRUMP and considered her a good friend. STEELE further advised that his colleagues believed he was being naive about this, but he was surprised by the reporting on IVANKA. STEELE said he was skeptical about the IVANKA part of the reporting, but he could believe the rest of the report.

STEELE advised that there was a rumor that a video existed of President TRUMP "roughing up" his wife, MELANIA TRUMP, in an elevator. The rumor further insinuated that the Russians had purchased this tape.

STEELE said that another rumor had also surfaced that an unidentified American who had witnessed an argument about prostitutes at a hotel involved in the earlier-mentioned Miss Universe incident. The desk

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clerks wanted the prostitutes to sign in because of health and safety reasons, but the women refused. STEELE advised that the press could be in touch with the American witness.

STEELE discussed in greater detail DMITRIY RYBOLOVLEV and the property sale in Sunny Isles, Florida. STEELE said that RYBOLOVLEV had a client relationship with a Mongolian female who had been educated at MGIMO. This female worked in the United States with a PR/GR [public relations /government relations] firm. STEELE met her approximately 6 years ago and they worked together. She was very close to SERGEY LAVROV and RYBOLOVLEV. This female spoke with RYBOLOVLEV about the sale of the Sunny Isles property and the TRUMP connection with the sale. RYBOLOVLEV told her that he did not know anything about TRUMP, but the female did not believe him. STEELE sent this information as a report to FUSION GPS, but STEELE was not sure if he passed it to DAVID KRAMER, which is why STEELE believes it was not published publicly. STEELE added that there was a new person working for RYBOLOVLEV until very recently. There was information about this individual in a LE MONDE article. This individual had been kicked out of Monaco and had been involved in bribing officials. STEELE said there was also current reporting involving art fraud -- specifically, paying too much for art, reporting it lost, and laundering money (NFI)

STEELE talked about his other, newly-up-and-coming main agent network and that network's reporting on PAUL MANAFORT. ORBIS received reporting dated circa March-April 2017 regarding MANAFORT's involvement in the plot to elbow out PETRO POROSHENKO. This reporting also talked about the Ukraine peace plan, provided by a pro-Russian deputy - the material that was provided to MICHAEL COHEN and MICHAEL FLYNN. ORBIS pitched the circa March-April 2017 report about MANAFORT to [REDACTED]
 [REDACTED]

STEELE said there are two memos regarding MANAFORT that were received by this newly-up-and-coming primary subsource. This individual understands that two entities, including the FBI, have received a larger amount of information or a bigger memo on MANAFORT based on access to MANAFORT's Security Service of Ukraine (SBU) file. The information in the FBI's possession talks about how MANAFORT has always been a Russian agent, about how he's always been with the FSB and how he's been run by named Russian case officers. STEELE says that this information is written in an exaggerated way (NFI). ORBIS believes the SBU file on MANAFORT itself has been doctored. The source claimed to know that the file had been doctored. STEELE said that the file has been doctored because that way, Kyiv is able to justify why it had MANAFORT under investigation. STEELE commented that, in Ukraine and all over Europe, they feel pressure from the White House to be able to justify any investigations that have been done.

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This information was collected recently - within the last few months - and was post-election. STEELE believes that the new agent network reporting has a mixture of truth and falsehood. The new primary subsource has a good view into things and has reported on things with which he has directly been involved - in the actual room at the time. The new primary subsource is good when being interviewed to state whether he thinks something is right or something sounds wrong. STEELE said that the source is critically assessing another memo regarding MANAFORT -- a memo which is approximately three paragraphs long. STEELE said that ORBIS is receiving more information about this next week. STEELE planned to sit down with his source soon to go over all of the information and the source's assessment of the bigger SBU memo (NFI). When the assessment is complete, STEELE advised he would like to share it with the FBI. STEELE described his source in Ukraine as "top-notch" and advised he has a significant, 3-4 year reporting record. STEELE advised that MANAFORT was still active in Ukraine after the 2017 US Presidential Inauguration.

STEELE has heard separately that two US agencies (NFI) were working together in Germany and that it involved the offer of tapes and other documents. STEELE advised that a 'Volga German by the name of BITNER (NFI) was an FSB agent under business cover. A US agency was involved in an exchange involving BITNER, but CIA Director MIKE POMPEO pulled the plug at the end of last year. It was unclear to STEELE if this Germany-related information was connected to the earlier-referenced SHEARER-MANSIMOV information. STEELE also said that this was related to information in the "dark web" where, STEELE added, there has been talk that STEELE and the NSA are competing for the same materials (NFI). As with the MANSIMOV information, the media is also "sniffing" around the Germany situation. It is not the same media outlets who are "sniffing" around both stories, however. STEELE said that the media was not asking questions per se, but facilitating (NFI).

STEELE discussed two significant robberies that occurred in villas in the south of France. A total of up to two billion dollars in cash had been stolen from Ukrainian oligarch PINCHUK. PINCHUK's son-in-law had been using a villa. Part of the stolen money originated from a defrauding of Delta, a Ukrainian bank. PINCHUK's son-in-law embezzled hundreds of millions of dollars from Delta. The Chechens (NFI) subsequently stole that money, which went back into Russia. STEELE noted that the Chechens are often used by the Russians for such activity. If true, STEELE opined, this whole situation could create a huge slush fund for Russia.

ORBIS has also been getting reporting regarding Russian influence in the French and German elections. Regarding the 2017 French election, STEELE

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said that things got perilously close to working for the Russians. STEELE said that it wasn't just about LE PEN, but that there was only one candidate who wasn't untainted by the Russians, and that was MACRON - the person who actually won. All three right-leaning candidates in France were held by the Russians. FILLON was compromised by Russia. One of the candidates was non-competitive. STEELE said the Russians attempted to change their support back to LE PEN at the end of the campaign period. STEELE advised that the Russians were now working on her niece.

Regarding the 2017 German election, STEELE said that the Russians were working on many influence campaigns, but had scaled back. The plan included propaganda about ANGELA MERKEL's health, but reportedly, MERKEL pushed back and spoke to PUTIN personally, warning him not to interfere with the election. PUTIN reportedly scaled back Russia's efforts.

STEELE advised that NIGEL FARAGE had been observed entering the Ecuadorian Embassy in London -- presumably to speak with JULIAN ASSANGE. STEELE believed that Russian funding had been funneling through the United Kingdom to promote Brexit. STEELE said that a young American -- possibly with the name of COTTRELL (NFI) -- had been caught laundering money. STEELE also said that EKATERINA PADERINA and her husband, AARON BANKS were two individuals involved in Russian influence and Brexit. FARAGE, TRUMP, and BANKS go back approximately four years. STEELE further advised that there was a Belize link with this, and that money was being laundered through Belize.

STEELE said that ORBIS was involved in some Kazakhstan-related and Cyprus-related business work, and some of the material from that work obviously falls within the bounds of the Special Counsel. STEELE was working on a Kazakh-related project involving an individual by the name of ABLYAZOV, embezzlement from BTA BANK, pyramid schemes, and connections to FELIX SATER and TRUMP SOHO. STEELE said that they want RICO up and running in the United States (NFI). STEELE brought along a Power Point presentation from the company ARCANUM explaining the SATER connection. STEELE provided a copy of this Power Point presentation to [REDACTED] and [REDACTED] (see attached). This information was slated to be provided to the US Department of Justice and the FBI as it involves a corrupt American official (NFI). SATER is also involved with the daughter of ABLYAZOV (NFI).

Regarding Cyprus, STEELE discussed a casino and golf complex. The GOLDEN LADY CONSORTIUM was attempting to put a casino in Cyprus circa 2015-2016. TRUMP, NAVIGANTE and SCENOPLUS (sp) were all involved, but the project failed. TRUMP tried to get a resort deal worth 450 million through RCB, a subsidiary of VNESHTORGBANK (VTB). The deal was submitted to regulators. STEELE said that there were some references to this deal in the Cypriot

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press. STEELE himself received this information from an American journalist.

STEELE was available for recontact, and advised that he wished to remain in contact with the FBI. Although STEELE believed the FBI owed money to STEELE and ORBIS for services and travel provided, STEELE believed it was more important that the United States government receive the information. STEELE was willing to provide the information to the FBI regardless of payment. STEELE advised that he would keep the same communication line open for future contact with [REDACTED], as necessary.

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